

**FINAL REPORT
OF ACCION GROUP, INC.
INDEPENDENT MONITOR
IN THE
TRACK B SOLICITATION**

Attachment No. 3

**INDEPENDENT MONITOR'S
PRELIMINARY FINAL REPORT
ON
TUCSON ELECTRIC POWER COMPANY**


INDEPENDENT MONITOR'S
PRELIMINARY FINAL REPORT
ON
TUCSON ELECTRIC POWER COMPANY

In Decision No. 65743, the Arizona Corporation Commission (ACC) directed that within three days of Tucson Electric Power (TEP) selecting winning bids, the Independent Monitor must submit a status report on the solicitation process employed. On May 7, 2003 TEP executed a contract with PPL EnergyPlus, LLC and on May 8, 2003, TEP executed two contracts with Panda Gila River L.C. as a result of the Track B Solicitation.

The Independent Monitor believes the solicitation process employed by TEP was well designed, provided an open and fair solicitation, and the solicitation was conducted according to the solicitation process. From the Monitor's observations, TEP demonstrated a willingness to make the solicitation a success to the extent of providing opportunities for bidders to cure defects in their bids, and by fully evaluating all bids, including those for products TEP did not solicit.

The detailed final report of the Independent Monitor on the TEP Track B Solicitation will be filed within two weeks, as required by Decision No. 65743.

Respectfully submitted,



Accion Group, Inc.
Independent Monitor to the ACC

May 12, 2003